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FIRM OFFICES

Brooklyn
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March 17, 2017

By Overnight MailTristate Cleaning Solutions, Inc.
124-17 18th Avenue
College Point, New York 11356Re: *Construction project (the "Project") for the development of a hotel
located at 377 Main Street, Buffalo, New York (the "Property")*

Dear Sirs:

This law firm has been retained as litigation counsel by Loung Construction Inc. a/k/a Loung Construction Corp. and Landco H&L Inc. (collectively, "Landco" or the "Owner") in connection with various issues arising from the Project. Any and all further correspondence and communications regarding this matter should be directed to my attention.

As an initial matter, please be advised that Landco hereby terminates Tristate Cleaning Solutions, Inc. ("Tristate") and any of its sub-contractors from the Project effective immediately. Landco requests that Tristate and its sub-contractors, if any, contact Brian Frost (716-473-9990), Landco's on-site superintendent at the Property, in order to make arrangements to remove all of their respective equipment from the Project site as soon as possible.

In addition, as Landco representatives have informed you in prior written correspondence and otherwise, Tristate's failure and/or refusal to perform the duties it was obligated to perform in connection with the Project in a competent manner have caused substantial damages to Landco. Landco has been damaged by Tristate's failure and/or refusal to perform its obligations in connection with the Project in a competent manner including, without limitation, as follows:

- At the outset of the Project, Tristate was required to perform asbestos abatement work at the Property. The parties entered into a written agreement, on or about May 13, 2016, pursuant to which Tristate agreed to

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provide these services within fourteen (14) business days. Tristate, however, failed to complete these services until the first week of September 2016, long after it was required to do so. As a result of this extensive delay, Landco was required to pay approximately \$85,000 to a third-party monitor for the abatement work. Pursuant to the written agreement, Tristate is required to indemnify and hold Landco harmless for all such losses.

- Due to improper work performed by Tristate at the Project site, the roof of the building on the Property collapsed on November 3, 2016. I am informed by Landco that the architect for the Project, among others, will attest that the roof collapse was caused by the negligence and/or carelessness of Tristate in connection with performing its work as part of the Project. In order to restore the roof, Landco has incurred substantial costs including with respect to, among other things, shoring the existing structure, fixing the framing for the roof, fixing the roof itself and paying violations arising from the roof collapse. Landco is entitled to reimbursement of all such sums, which total at least \$204,717.06, from Tristate.
- Finally, on November 30, 2016, Tristate's employees on the Project site stole a number of copper boards from the antique escalators which the Owner intended to preserve as part of the completion of the Project. I have been informed by Landco that representatives of Tristate admitted that it was Tristate employees who stole the copper boards and promised to rectify the situation. However, to date, the matter remains unresolved despite Landco's demands that Tristate rectify the situation. This conversion of Landco's property has caused substantial damages to Landco (in addition to the loss of the value of the copper and antique escalator itself). Indeed, among other things, the Owner is now precluded from obtaining certain tax credits which could be worth hundreds of thousands of dollars due to the apparent loss of the antique elevator at the Property.

In light of the foregoing, Landco hereby demands repayment and/or reimbursement of all sums owing to it as a result of the negligence and/or other misconduct engaged in by Tristate as part of the Project. To date, Landco's losses total at least \$500,000. In an effort to avoid litigation, Landco is requesting that Tristate reimburse Landco for all such sums by no later than March 24, 2017. If Landco is not paid in full for its losses by March 24, 2017, it will proceed to enforce all of the rights and remedies available to it at law and/or in equity. We hope that will not be necessary.

Finally, Landco is aware of Tristate's recent statements indicating that it intends to place a mechanic's lien on the Property, purportedly in the amount of \$680,000. Please be advised, however, that figure is grossly inflated, particularly in

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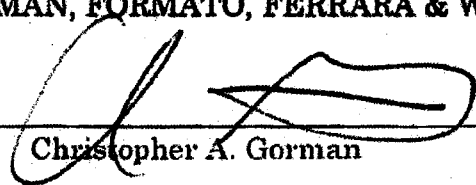
light of the amounts owing to Landco arising from the misconduct of Tristate which is described above, among other reasons. As such, to the extent that Tristate places a lien on the Property in an amount which is willfully exaggerated, Landco will exercise all rights and remedies available to it to have the lien declared void. In the event that Tristate acts in contravention of the foregoing, Landco is prepared to hold Tristate liable in damages for any and all losses suffered by Landco as a result including, but not limited to, any premium for a bond given to obtain a discharge of the lien and its attorneys' fees for services rendered in securing the discharge of the lien. We hope that will not be necessary.

Landco reserves all rights and remedies available to it at law and/or in equity. Please be guided accordingly.

Sincerely,

ABRAMS, FENSTERMAN, FENSTERMAN,
EISMAN, FORMATO, FERRARA & WOLF, LLP

By:



Christopher A. Gorman